

STAND. COM. REP. NO. 1250

Honolulu, Hawaii

APR 01 2015

RE: S.R. No. 125
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Government Operations, to which was referred S.R. No. 125 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO INVENTORY ALL OPEN CONTRACTS SINCE 2010 TO THE PRESENT FOR ALL STATE AGENCIES AND ASSIST THE AGENCIES WITH CLOSING AND RESOLVING ANY DISPUTES,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Department of Accounting and General Services to:

- (1) Inventory all open contracts from 2010 to the present for all state agencies;
- (2) Assist agencies with closing and resolving any disputes; and
- (3) Notify the agencies of whether a private contractor will be receiving payment as a result of closing a contract or resolving a dispute.

Your Committee received testimony in support of this measure from the Subcontractors Association of Hawaii, Building Industry Association of Hawaii, and General Contractors Association of Hawaii.

Your Committee finds that the State depends on private contractors to complete many projects involving consulting,

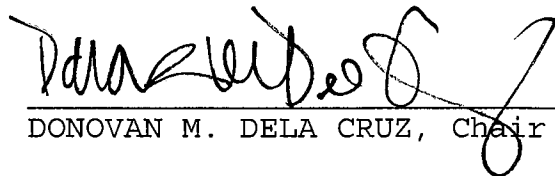


development, and personal services. Change orders and other circumstances may result in a contract being left open longer than anticipated. Contractors are left at a disadvantage due to their bond limits and cash flow constraints. It is necessary that such contractual issues be resolved expeditiously to resolve any disputes, receive quality completed projects on time, and maintain positive relationships with contractors. Making it a priority to close such open contracts is a first step toward those results.

Your Committee has amended this measure by adding language requesting the Department of Accounting and General Services to also identify the reason a contract was open, in an effort to help the parties avoid a similar problem in the future.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 125, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 125, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,


DONOVAN M. DELA CRUZ, Chair

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SR125</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">GVO, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/31/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
IHARA, Jr., Les	/			
TOKUDA, Jill N.				/
SLOM, Sam				/
TOTAL	3			2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Clarence K. Nishihara</div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes